

DEQ Administered ARPA Wastewater Funds Program Requirements & Procedures

Septic Local Partner Programs (SLPP) only

General Procedures: There are a number of requirements which are applicable to projects funded through the Septic Local Partner Program (SLPP). It is the intent of the Department of Environmental Quality (DEQ) to ensure compliance with all of these requirements by grant recipients through the most expeditious, streamlined, and least burdensome method. However, in order for this goal to be achieved, it is important that grant recipients be fully cognizant of these requirements and that they follow through in meeting these requirements in a thorough and timely manner. Please note that the grantee is responsible for ensuring adherence to all requirements and that failure to comply with the requirements may result in funds being recouped by the United States Department of the Treasury.

Program Design: The development of a Program Design is a requirement for participation. The Program Design is a document that details the grant recipient's plans for utilizing loan proceeds and for administering the program. DEQ requires the grant recipient use the Program Design template. Only after the Program Design has been approved by DEQ, can a grant agreement be issued. Changes to the Program Design must be approved by DEQ.

Procurement: Grant recipients may contract directly with septic service providers to facilitate septic projects on behalf of cost-share recipients and/or they may defer responsibility for contractor selection to the cost-share recipient. Procurement of all funded goods and services by the grant recipients must be made in conformance with the requirements of the Virginia Public Procurement Act and consistent with the standards outlined in Code of Federal Regulations, [2 CFR 200.317 through 2 CFR 200.320](#). The grant recipient's procurement procedures must be adopted in writing and in accordance with VPPA in order to be approved by DEQ.

VDH Permits and Coordination: Septic system repairs or installations will require a Virginia Department of Health (VDH) permit. Grant recipients are responsible for developing a procedure for verifying all septic projects have obtained a permit prior to construction. The grant recipient is also responsible for coordination with VDH local health districts to ensure participants are made aware of VDH evaluation and design services for those who qualify.

Grant Agreement: A grant agreement will be executed after project authorization and approval of the program design, procurement policy, and permit verification process. The grantee has 180 days from project authorization to submit all required documentation to DEQ. The agreement must be executed by December 31, 2024.

Eligible Expenses: The following expenses are considered eligible:

- Septic BMP Costs: costs associated with septic practices, including: planning, design, permitting, and installation; and,
- Non-BMP Costs: costs for planning and administrative activities that have a reasonable expectation of resulting in a septic project, such as those related to program development, administration, outreach, travel, supplies, and overhead/indirect costs.

Non-BMP Costs are limited to no more than 35% of funding.

Reimbursements: Once the grant has been executed, grantees may submit requests for reimbursement. It is recommended that reimbursement requests be submitted at least quarterly, however monthly requests are highly encouraged. With each request for reimbursement, please submit:

- Requisition for Reimbursement Letter on applicant's letterhead
- Up-to-date Schedule 1
- Documentation to substantiate requested payment

Project costs incurred prior to March 3, 2021 are not eligible to be reimbursed.

Project Schedule: A project schedule is included in the grant agreement. The DEQ Project Manager should be kept updated on any schedule or cost changes throughout the project.

Quarterly Reporting and Progress Reviews: To comply with Treasury requirements, grant recipients are required to submit quarterly reports using Attachment 4c. To gauge progress and compliance with program design and requirements, DEQ will also conduct progress reviews throughout the project duration. The DEQ Project Manager will coordinate these meetings with the grant recipient.

Grant Close Out: Reimbursements will be held at 95% of the total grant amount to ensure satisfactory implementation of the program. At this time, the grant recipient must submit a final report and payment request to the DEQ Project Manager. All funds must be disbursed by December 31, 2026. Unspent funds remaining at the project end date will revert back to DEQ.